GOVERNMENT OF INDIA
MINES AND MINERALS
LOK SABHA

UNSTARRED QUESTION NO:6102
ANSWERED ON:05.05.2000
FINANCIAL CRISIS TO COAL SOCIETY
Y.S. VIVEKANANDA REDDY

Will the Minister of MINES AND MINERALS be pleased to state:

(a) whether the coal society in Andhra Pradesh has been passing through severe financial crisis with no source of income to pay salaries to its employees;

(b) if so, whether the State Government has sought help from the Union Government in this regard; and

(c) if so, the extent to which the Union Government have agreed to help the coal society of Andhra Pradesh to meet the financial crisis?

Answer

MINISTER OF STATE FOR MINES & MINERALS

(SMT. RITA VERMA)

(a) to (c): No information is available in the Department of Coal in the Union Government as to whether any coal society in Andhra Pradesh has been passing through severe financial crisis with no source of income to pay salaries to its employees. The Union Government has no scheme under which financial assistance can be given to any coal society of Andhra Pradesh. The Government of Andhra Pradesh has also not sought for any help from the Union Government for providing financial assistance to any coal society in Andhra Pradesh. However, Government of India has recently approved a capital restructuring plan of Singareni Collieries Company Limited (SCCL) on 21.6.99.SCCL is a Government company of the Government of Andhra Pradesh in which the State Government and Government of India share the equity in 51:49 ratio. As per the capital restructuring plan, the investment of Government of India in the equity of SCCL during IX Plan period has been raised to Rs. 257.51 croresDuring the IX Plan period the Government of India would also provide loan to the extent of Rs. 77.50 crores and another financial assistance of Rs. 61.62 crores by way of bilateral credit. SCCL has been allowed moratorium upto 31.3.2007 on payment of outstanding interest of Rs. 663.34 crores (as on 31.3.97) accruing on Government of India loans sanctioned to the company during the VIII Plan period.